

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 15-3496 FMO (JEMx)	Date	July 27, 2015
Title	Youngers v. Virtus Investment Partners, et al.		

Present: The Honorable Fernando M. Olguin, United States District Judge

Vanessa Figueroa

None

None

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorney Present for Plaintiff(s):

Attorney Present for Defendant(s):

None Present

None Present

Proceedings: (In Chambers) Order to Show Cause Re: Transfer of Case

On May 8, 2015, plaintiff Matt Youngers ("plaintiff") filed a putative class action alleging federal securities violations in connection with Virtus Investment Partners Inc.'s ("Virtus") sale of funds that used an "AlphaSector" strategy, in which F-Squared Investments, Inc. ("F-Squared") was a co-advisor. (See Complaint at ¶¶ 4 & 32-33). Principally, plaintiff alleges that Virtus and F-Squared represented that they used the AlphaSector strategy with live assets since April 2001, when in fact their past results were back-tested. (See id. at ¶ 4).

Plaintiff's claims are similar to the allegations in Cummins v. Virtus Investment Partners, Inc., 15-CV-1249-WHP, which is currently pending in the District Court for the Southern District of New York. (See S.D.N.Y. action). In that complaint, Cummins alleges that "Virtus began to market and offer funds with an 'AlphaSector' strategy through a co-advisory relationship with a newly formed investment advisory firm, [F-Squared]." (S.D.N.Y. Complaint at ¶ 4). The S.D.N.Y. Complaint also alleges that "AlphaSector's past returns back to April 2001 were presented as the legitimate results of live management of client assets, and not back-tested results that were hypothetical." (See id. at ¶ 5).

The court also notes that the Rosen Law Firm, P.A., which represents plaintiff in this action, also represents movant Rufus Bly in the S.D.N.Y. action. Moreover, plaintiff filed this action after multiple motions were filed in the S.D.N.Y. action regarding appointment of a lead plaintiff. Based on the foregoing, IT IS ORDERED that:

1. No later than **July 31, 2015**, Youngers shall show cause in writing why his claims should not be transferred and consolidated with the Southern District of New York action. Failure to respond to this Order shall be deemed as consent to the transfer of the instant action to the Southern District of New York.

2. Defendant shall file an opposition to plaintiff's response by **August 5, 2015**.

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